

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Municipal Potash Tax Sharing Administration Board, which comprise the statement of financial position as at December 31, 2013, and the statement of operations and net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2013, and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
March 25, 2014



Judy Ferguson, FCA
Acting Provincial Auditor

Statement 1**Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31, 2013**

	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 18,246	\$ 18,137
Accounts Receivable	<u>3,600,518</u>	<u>-</u>
Total Assets	<u>3,618,764</u>	<u>18,137</u>
Liabilities		
Accounts Payable	<u>3,596,918</u>	<u>-</u>
Total Liabilities	<u>3,596,918</u>	<u>-</u>
Net Financial Assets - (Statement 2)	<u>\$ 21,846</u>	<u>\$ 18,137</u>

(see accompanying notes to the financial statements)

Statement 2

**Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Assets
For Year Ended December 31, 2013**

			2013	2012
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			<u>\$ 21,196,985</u>	<u>\$ 21,004,393</u>
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	<u>Rural</u>	<u>Urban</u>		
Saskatoon Lanigan	11,821,877	1,313,542	13,135,419	12,943,015
Esterhazy	6,342,130	704,681	7,046,811	7,046,816
Pense	894,202	99,356	993,558	993,558
	<u>19,058,209</u>	<u>2,117,579</u>	<u>21,175,788</u>	<u>20,983,389</u>
Revenue held for general administration (Note 4)			<u>21,197</u>	<u>21,004</u>
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			10,000	10,000
Secretary-Treasurer's Honorarium			6,000	6,000
Board Member Per Diems			1,100	1,000
Board Members Travel			88	-
Maps			-	870
Bank Charges			-	-
Insurance			300	300
			<u>17,488</u>	<u>18,170</u>
Surplus for the year			3,709	2,834
Net assets, beginning of year			<u>18,137</u>	<u>15,303</u>
Fund balance, end of year - to Statement 1			<u><u>\$ 21,846</u></u>	<u><u>\$ 18,137</u></u>

(see accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Board maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Significant Accounting Policies

These financial statements have been prepared using Canadian public sector accounting standards. The following accounting policies are considered significant.

a) Revenue

The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions

Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of \$25,000, for the general administration of the Board. During the year, the Board withheld 0.1% (2012 - 0.1%) of taxes received totalling \$21,197 (2012 - \$21,004).

5. **Municipal Taxes From Rural Municipalities**

<u>Municipality</u>	<u>RM#</u>	<u>Budget 2013</u>	<u>Actual 2013</u>	<u>Actual 2012</u>
Rocanville	151	\$ 3,634,580	\$ 3,634,580	\$ 3,941,573
Spy Hill	152	2,053,072	2,053,067	1,850,899
Pense	160	994,553	994,553	994,553
Langenburg	181	1,366,221	1,366,218	1,261,397
Usborne	310	2,712,739	2,712,739	3,377,057
Colonsay	342	1,710,642	1,710,642	1,521,039
Blucher	343	2,993,297	2,993,785	2,510,504
Corman Park	344	3,420,492	3,600,518	3,307,534
Vanscoy	345	<u>2,130,883</u>	<u>2,130,883</u>	<u>2,239,837</u>
		<u>\$21,016,479</u>	<u>\$21,196,985</u>	<u>\$21,004,393</u>

6. **Budget**

The budgeted amounts disclosed in these statements are those approved by the Board on April 8, 2013.

7. **Distribution of Funds**

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to the rural municipalities and 10% being paid to the urban municipalities.

Schedule 1

Municipal Potash Tax Sharing Administration Board
Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31, 2013

	Budget 2013	Actual 2013	Actual 2012
Saskatoon/Lanigan Area			
<u>Rural Municipalities</u>			
279 Mount Hope	\$ 241	\$ 245	\$ 241
280 Wrexford	72,102	73,107	75,803
281 Wood Creek	5,172	5,244	5,114
283 Rosedale	6,031	6,115	5,822
309 Prairie Rose	289,259	293,292	303,918
310 Usborne	1,543,576	1,565,100	1,327,427
312 Morris	734,195	744,433	771,302
313 Lost River	472,170	478,754	495,660
314 Dundurn	307,516	311,803	306,895
315 Montrose	361,110	366,145	353,722
316 Harris	87,672	88,895	86,029
339 Leroy	176,376	178,836	185,301
340 Wolverine	1,363,503	1,382,515	1,437,973
341 Viscount	688,910	698,516	722,223
342 Colonsay	899,407	911,948	944,277
343 Blucher	923,000	935,592	949,162
344 Corman Park	1,144,551	1,160,510	998,479
345 Vanscoy	1,434,987	1,454,997	1,500,058
346 Perdue	368,091	373,223	387,280
370 Humboldt	8,321	8,437	7,851
371 Bayne	121,649	123,345	128,060
372 Grant	191,588	194,260	184,552
373 Aberdeen	386,276	391,663	394,785
376 Eagle Creek	73,872	74,902	76,779
	<u>11,659,575</u>	<u>11,821,877</u>	<u>11,648,713</u>
<u>Urban Municipalities</u>			
Town of Aberdeen	30,874	31,303	30,845
Town of Allan	133,597	135,457	133,472
Town of Asquith	31,080	31,513	31,051
Village of Bradwell	47,419	48,079	47,374
Village of Clavet	79,581	80,689	79,507
Town of Colonsay	97,930	99,293	97,839
Town of Dalmeny	69,633	70,603	69,568
Town of Delisle	201,014	203,812	200,827
Village of Drake	10,411	10,556	10,402
Village of Elstow	18,349	18,604	18,332
Village of Kinley	2,319	2,352	2,317
Town of Langham	59,016	59,837	58,961

Municipal Potash Tax Sharing Administration Board
Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31, 2013

	Budget 2013	Actual 2013	Actual 2012
Saskatoon/Lanigan Area			
<u>Urban Municipalities</u>			
Town of Lanigan	246,371	249,800	246,141
Village of Meacham	4,330	4,390	4,326
Village of Perdue	18,658	18,918	18,641
Village of Plunkett	3,866	3,919	3,862
Village of Vanscoy	77,725	78,807	77,653
Village of Viscount	51,954	52,678	51,906
Town of Vonda	18,194	18,447	18,177
Town of Watrous	73,654	74,679	73,585
Village of Young	12,319	12,490	12,307
Village of Zelma	7,216	7,316	7,209
	<u>1,295,510</u>	<u>1,313,542</u>	<u>1,294,302</u>
Area Total	<u>12,955,085</u>	<u>13,135,419</u>	<u>12,943,015</u>
Esterhazy Area			
<u>Rural Municipalities</u>			
121 Moosomin	186,058	186,058	177,578
122 Martin	55,776	55,776	52,459
151 Rocanville	1,293,845	1,293,844	1,213,675
152 Spy Hill	1,745,241	1,745,239	1,744,065
153 Willowdale	95,381	95,381	100,541
181 Langenburg	1,289,347	1,289,345	1,292,803
183 Fertile Belt	1,163,738	1,163,737	1,235,572
211 Churchbridge	320,239	320,238	320,098
213 Saltcoats	192,513	192,512	205,343
	<u>6,342,138</u>	<u>6,342,130</u>	<u>6,342,134</u>
<u>Urban Municipalities</u>			
Village of Atwater	1,417	1,417	1,143
Village of Bangor	2,103	2,103	2,104
Town of Bredenbury	16,640	16,640	16,646
Town of Churchbridge	33,966	33,966	33,979
Town of Esterhazy	317,438	317,438	317,562
Village of Gerald	20,846	20,845	20,854
Town of Langenburg	49,097	49,097	49,116
Town of Rocanville	156,707	156,708	156,769

Municipal Potash Tax Sharing Administration Board
Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31, 2013

	Budget 2013	Actual 2013	Actual 2012
Esterhazy Area			
<u>Urban Municipalities</u>			
Village of Spy Hill	37,303	37,303	37,317
Village of Stockholm	15,589	15,588	15,595
Village of Tantallon	19,200	19,200	19,207
Village of Welwyn	24,686	24,685	24,695
Village of Yarbo	9,691	9,691	9,695
	<u>704,683</u>	<u>704,681</u>	<u>704,682</u>
Area Total	<u>7,046,821</u>	<u>7,046,811</u>	<u>7,046,816</u>
Pense Area			
<u>Rural Municipalities</u>			
129 Bratt's Lake	6,424	6,424	6,498
130 Redburn	122,020	122,020	125,589
131 Baildon	41,865	41,865	39,740
159 Sherwood	54,875	54,874	56,543
160 Pense	401,131	401,131	408,042
161 Moose Jaw	192,603	192,603	178,875
189 Lumsden	26,039	26,038	25,051
190 Dufferin	32,555	32,555	35,498
191 Marquis	16,692	16,692	18,366
	<u>894,204</u>	<u>894,202</u>	<u>894,202</u>
<u>Urban Municipalities</u>			
Village of Belle Plaine	6,726	6,726	6,664
Village of Bethune	10,190	10,190	10,097
Village of Briercrest	2,828	2,828	2,802
Village of Disley	1,911	1,911	2,802
Village of Drinkwater	6,624	6,624	6,563
Village of Grand Coulee	14,547	14,547	14,414
Village of Pense	54,213	54,212	53,717
Village of Tuxford	2,318	2,318	2,297
	<u>99,357</u>	<u>99,356</u>	<u>99,356</u>
Area Total	<u>993,561</u>	<u>993,558</u>	<u>993,558</u>
Total tax sharing - to Statement 2	<u>\$ 20,995,467</u>	<u>\$ 21,175,788</u>	<u>\$ 20,983,389</u>